

Message Text

LIMITED OFFICIAL USE

PAGE 01 CARACA 11053 072233Z

61

ACTION IO-10

INFO OCT-01 ARA-06 ISO-00 SP-02 AID-05 EB-04 NSC-05 RSC-01

CIEP-01 TRSE-00 SS-15 STR-01 OMB-01 CEA-01 AGR-05

COME-00 SWF-01 AF-04 EA-06 EUR-12 NEA-06 FEA-01 INT-05

OES-02 L-02 H-01 CIAE-00 DODE-00 INR-05 NSAE-00 PA-01

USIA-06 PRS-01 /111 W

----- 027809

P 072104Z NOV 74

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC PRIORITY 6550

INFO AMEMBASSY ROME

USUN NEW YORK 860

USMISSION GENEVA

LIMITED OFFICIAL USE CARACAS 11053

ROME FOR FODAG

EO 11652 NA

TAGS: OCON EAGR VE

SUBJ: PRESIDENT PEREZ'S LETTER TO THE WORLD FOOD CONFERENCE

REF: CARACAS 11052 (COMING LATER)

1. PRESIDENT CARLOS ANDRES PEREZ'S LETTER OF NOV 5 TO THE CHAIRMAN, WORLD FOOD CONFERENCE, REPORTED REFTEL, REPRESENTS A STRONG AND BLUNTLY WORDED FOLLOW-UP TO HIS LETTER OF SEP 19 REPLYING TO PRESIDENT FORD'S ADDRESS TO THE UNGA. PEREZ APPARENTLY DECIDED ON THIS RATHER UNUSUAL METHOD OF ADDRESSING THE WORLD FOOD CONFERENCE IN LIEU OF A PERSONAL APPEARANCE AT THE CONFERENCE, WHICH HAD BEEN GIVEN SERIOUS CONSIDERATION IN THE HIGHEST COUNCILS OF THE GOV. PRESIDENT PEREZ WAS EXTREMELY PLEASED WITH THE RECEPTION HIS LETTER TO PRESIDENT FORD WAS

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 CARACA 11053 072233Z

GIVEN WITHIN VENEZUELA, WHERE IT WAS UNIVERSALLY APPROVED (EVEN

BY HIS MOST VOCAL OPPOSITION), AND ABROAD.

THE LETTER TO THE WFC IS OBVIOUSLY AN ATTEMPT TO CAPITALIZE FURTHER ON THIS SUCCESS AND TO ENHANCE PEREZ'S AND VENEZUELA'S CREDENTIALS AS A LEADER, BOT IN LATIN AMERICA AND THE WORLD. THE ARGUMENTS IN THISTMOST RECENT EPISTLE,AS IN THE PREVIOUS LETTER,ARE BASED ALMOST ENTIRELY ON THE "TERMS OF TRADE" THEME WHICH HAS BECOME A STANDARD FEATURE OF GOV STATEMENTS RELATING TO CURRENT WORLD ECONOMIC PROBLEMS. VENEZUELA HAS TENACIOUSLY DEFENDED ITS VIGOROUS EFFORTS TO INCREASE PETROLEUM PRICES AS A FIRST STEP IN A WORLDWIDE EFFORT TO INSURE AN INCREASE IN RAW MATERIALS PRICES ACROSS THE BOARD AND INDEX THEM TO PRICES OF MANUFACTURED GOODS IMPORTED FROM DEVELOPED COUNTRIES. THIS POLICY HAS BEEN VERY EFFECTIVE IN ELICITING THE SUPPORT OF OTHER LDC RAW MATERIALS PRODUCERS WHO AT LEAST SEE A POSSIBILITY OF IMITATING THE VENEZUELAN EXPERIENCE WITH OTHER PRODUCTS.

2. THE VENEZUELAN ARGUMENT BECOMES A BIT STRAINED WHEN RELATED TO INTERNATINAL TRADE IN FOOD COMMODITES. VENEZUELA, FOR EXAMPLE, DEPENDS ON IMPORTS FOR MORE THAN 50 PERCENT OF ITS TOTAL FOOD CONSUMPTION. IT, THEREFORE, HAS A STRONG INTERES IN LOWERING PRICES OF AGRICULTURAL COMMODITIES. THIS INTEREST IS REFLECTED IN THE STRONG CRITICISM IN THE LETTER OF AGRICULTURAL POLICIES DESIGNED TO MAINTAIN HIGH EXPORT PRICES IN DEVELOPED COUNTRIES. THE LETTER CONTAINS A THINLY VEILED CRITICISM OF THE US FOR SUBSIDIZING ITS FARMERS BY PAYING THEM NOT TO SOW WHEAT, THERBY AVOIDING A DETEIORATION IN INTERNATIONAL PRICES, AND WITOUT TAKING INTO ACCOUNT SCARCITY, POVERTY AND HUNGER IN OTHER REGIONS OF THE WORLD.

3. IT IS DIFFICULT TO UNDERSTAND WHY VENEZUELA, WHICH FACES A SEVERE PROBLEM OF LOW AGRICULTURAL PRODUCTIVITY, SHOULD ARGUE SO STRONGLY FOR LINKING THE SOLUTION OF THE WORLD FOOD PROBLEM TO INTERNATIONAL TRADE. THE EXPLANATION MAY LIE IN THE FACT THAT VENEZUELA, ALTHOUGH NOT ABLE TO PRODUCE ITS OWN FOOD IN SUFFICIENT QUANTITY, NEVERTHELESS HAS AMPLE MEANS FOR PURCHASING SUCH COMMODITIES ABROAD(AND,IN FACT, CURRENTLY HAS HIGHLY FAVORABLE TERMS OF TRADE). AT THE SAME TIME, GOV POLICY MAKERS OBVIOUSLY FEEL A STRONG COMPULSION TO DEFEND THEIR OWN PARTICULAR INTERESTS IN THE BROADEST POSSIBLE TERMS, IN ORDER TO LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 CARACA 11053 072233Z

MAINTAIN A COMMON FRONT WITH OTHER THIRD WORLD COUNTRIES WHOSE INTERESTS ON THE FOOD ISSUE MAY, IN FACT, BE HIGHLY DIVERGENT.

4. THE LETTER TO THE WFC IS A FURTHER INDICATION THAT VENEZUELA INTENDS TO FOLLOW A VERY HARD LINE ON COMMODITY ISSUES IN UNCTAD AND OTHER FORUMS, AND TO PURSUE SUCH THIRD WORLD ASPIRATIONS AS A "NEW ECONOMIC ORDER" AND THE CHARTER OF

ECONOMIC RIGHTS AND DUTIES. THE VENEZUELAN POSITION ADMITS
LITTLE POSSIBILITY, HOWEVER,
THAT AN APPROPRIATE SETTLEMENT OF THESE ISSUES CAN BE OBTAINED
EXCEPT ALONG LINES SPECIFIED BY THE LEADING THIRD WORLD ADVOCATES.
MCCLINTOCK

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESIDENT, WORLD FOOD CONFERENCE, DIPLOMATIC COMMUNICATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 07 NOV 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: KelleyW0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974CARACA11053
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740321-0214
From: CARACAS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741164/aaaacbza.tel
Line Count: 120
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION IO
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: CARACAS 11052 (COMING LATER)
Review Action: RELEASED, APPROVED
Review Authority: KelleyW0
Review Comment: n/a
Review Content Flags:
Review Date: 23 MAY 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <23 MAY 2002 by ifshinsr>; APPROVED <27 MAR 2003 by KelleyW0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PRESIDENT PEREZ'S LETTER TO THE WORLD FOOD CONFERENCE
TAGS: OCON, EAGR, VE, (PEREZ, CARLOS ANDRE)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005